

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4661-01
Bill No.: HB 1894 w/ SA 1 and SA 2
Subject: Mental Health; Mental Health Dept.
Type: Original
Date: May 5, 2010

Bill Summary: Clarifies that the Director of the Department of Mental Health, or the director's designee, may certify patient accounts submitted to the court for collection.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Federal	\$6,500,000	\$6,500,000	\$6,500,000
Total Estimated Net Effect on <u>All</u> Federal Funds	\$6,500,000	\$6,500,000	\$6,500,000

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator** and **Department of Mental Health** assume the proposal will have no fiscal impact on their organizations.

Senate Amendment 1 (§630.060)

In response to identical legislation (SB 1059, LR# 5262-01), officials from the **Department of Agriculture, Department of Economic Development, Department of Elementary and Secondary Education, Department of Higher Education, Department of Insurance, Financial Institutions, and Professional Registration, Department of Mental Health, Department of Natural Resources, Department of Corrections, Department of Health and Senior Services, Department of Labor and Industrial Relations, Department of Revenue, Department of Social Services, Missouri Department of Transportation, Department of Public Safety, Missouri Consolidated Health Care Plan, Missouri Department of Conservation, Office of State Public Defender, Boone County Sheriff's Department, Jefferson City Police Department, Parkway School District, Linn State Technical College, Missouri State University, Missouri Western State University, Missouri Southern State University, University of Central Missouri, and University of Missouri** assumed the proposal will have no fiscal impact on their organizations.

In response to identical legislation (SB 1059, LR# 5262-01), officials from the **Office of Attorney General** assumed any potential costs arising from this proposal can be absorbed with existing resources.

In response to identical legislation (SB 1059, LR# 5262-01), officials from the **Office of Administration - Division of Budget and Planning (BAP)** stated the proposal should not have a fiscal impact on their organization. The Department of Mental Health should provide the estimate of possible increased costs and revenues to the state as a result of this proposal.

In response to identical legislation (SB 1059, LR# 5262-01), officials from the **Office of Secretary of State (SOS)** stated the fiscal impact for this proposal is less than \$2,500. The SOS does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the SOS can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the costs of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

Senate Amendment 2 (§208.453)

Officials from the **Department of Health and Senior Services** assume the proposal will have no fiscal impact on their organization.

Officials from the **Department of Social Services (DOS)** state the proposed change in the legislation will allow the MO HealthNet Division (MHD) to assess public hospitals which are operated primarily for the care and treatment of mental disorders, under the current hospital federal reimbursement allowance (FRA) structure. These hospitals are operated by the Department of Mental Health (DMH) and the proposed changes will impact them. The tax will increase the amount collected and deposited into the federal reimbursement allowance fund. Moneys in the FRA fund are used as a general revenue (GR) equivalent enabling the state to earn additional federal earnings. The DMH estimates earnings of \$6.5 million.

Officials from the **Department of Mental Health (DMH)** state the legislation deletes from RSMo, section 208.453, the language exempting the DMH psychiatric hospitals from the hospital provider tax. This change will allow the DMH to generate additional federal Medicaid revenues of approximately \$6.5 million annually.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
FEDERAL FUNDS			
<u>Income - DMH</u>			
Federal Revenues (§208.453)	<u>\$6,500,000</u>	<u>\$6,500,000</u>	<u>\$6,500,000</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$6,500,000</u>	<u>\$6,500,000</u>	<u>\$6,500,000</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Senate Amendment 2: This legislation no longer allows public hospitals which are operated primarily for the care and treatment of mental disorders to be exempted from participating in the Hospital Reimbursement Allowance. (Section 208.453)

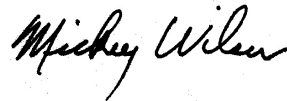
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Attorney General
Department of Agriculture
Office of Administration -
 Division of Budget and Planning
Department of Economic Development
Department of Elementary and Secondary Education
Department of Higher Education
Department of Insurance, Financial Institutions, and Professional Registration
Department of Mental Health
Department of Corrections
Department of Health and Senior Services
Department of Labor and Industrial Relations
Department of Revenue
Department of Social Services
Missouri Department of Transportation
Department of Public Safety -
 Division of Alcohol and Tobacco Control
 Capitol Police
 Division of Fire Safety
 Missouri State Highway Patrol
 State Emergency Management Agency
 Missouri Veterans Commission
 Missouri Gaming Commission
Missouri Consolidated Health Care Plan
Missouri Department of Conservation
Office of Secretary of State
Office of State Public Defender
Boone County Sheriff's Department
Jefferson City Police Department
Parkway School District
Linn State Technical College

SOURCES OF INFORMATION (continued)

Missouri State University
Missouri Western State University
University of Central Missouri
Missouri Southern State University
University of Missouri

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
May 5, 2010